

**TOWN OF GREENWICH, CONNECTICUT  
RETIREMENT BOARD**

**December 15, 2016 Minutes – Cone Meeting Room**

The regular meeting of the Retirement Board was called to order at 8:00 a.m.

In attendance were:

Members:	John Chadwick, Chairman Kevin Coyner Mark Kordick Peter Mynarski Joseph Pellegrino (absent)
Staff:	Atiya Jones, Retirement Administrator Mary Pepe, Director of Human Resources
NEPC:	Kevin Leonard
BET:	Bill Drake Leslie Moriarty
RTM:	John Dolan Mike Wacek

**APPROVAL OF MINUTES**

Upon a motion by Mr. Mynarski, seconded by Mr. Coyner, the Board voted 3-0-0 (Mr. Kordick and Mr. Pellegrino absent at time of vote) to approve the minutes, of the Regular Meeting of October 27, 2016.

**ADMINISTRATOR'S REPORT**

As of December 13, 2016, the State Street cash balance was \$17,313,727. The projected State Street cash balance for December 31, 2016 is \$12,913,102. As of today, we expect to have capital calls \$1,318,142 and distributions \$95,464 for December, 2016.

Ms. Jones received the consolidated list from Transamerica of outstanding items. This list will be reviewed at the next monthly meeting scheduled for December 20, 2016.

As a reminder, we will have pension data updates for several union contracts. There are no updates reported for the Fire Fighters contract as of July 1, 2015. The pension payments for the retired Teamsters, LIUNA, and LIUNA Representing the Professional Assistants and Security Personnel will have to be recalculated as of July 1, 2016. The GMEA contract has moved to the next stage of

completion. We will have three retirees and an active death calculation in this bargaining union for benefit recalculation.

The RFP for Investment Management Services was released on December 6, 2016. Respondents will have until January 10, 2017 to submit their proposals. Updates will be provided at the next Retirement Board meeting.

It was discovered that Evelyn Franco, beneficiary of Dominick Franco, hasn't received the Ad-Hoc COLA increases. She is included in the group of widows of Policemen who retired before July 1, 1988 that were entitled to subsequent Ad-Hoc COLA increases.

Upon a motion from Mr. Mynarski, seconded by Mr. Coyner, the Board voted 4-0-0 to approve Evelyn Franco's Ad-Hoc COLA increases retroactive to her December 1, 2013 benefit commencement date.

Mr. McLaughlin provided an update regarding the review of the Widow's benefit, QDRO processing and beneficiary designations. At this time, the legal opinion for the Widow's benefit with respect to Mr. Laluna is not available. Mr. McLaughlin will provide an update by the next Retirement Board meeting. Mr. Coyner provided sections 193, 194 and the Firefighters contract 2012-2015 for consideration to review with these issues.

**APPROVAL OF PAYMENTS**

<b>Town of Greenwich, Connecticut</b>			
<b>Retirement November 30, 2016</b>			
<b>Payments to be Approved</b>			
<b>Reserve Fund</b>			
V	Pensioners	November Payroll	\$ 2,337,206
	Refunds	Elizabeth O'Keefe	\$ 59,131
		<b>Pension Payroll Fund Total</b>	\$ 2,396,337
<b>Expense Fund</b>			
SV	Boomershine Consulting Group	2016 Actuarial Valuation	\$ 6,958
	Boomershine Consulting Group	2016 Actuarial Valuation	\$ 9,988
	Patterson Belknap Webb & Tyler	Legal Services October 2016	\$ 2,356
	Iron Mountain	October, 2016	\$ 160
		<b>Expense Fund Total</b>	\$ 19,461
<b>Payroll</b>			
PV	Retirement Administrator	November - Ms. Jones	\$ 7,375
	Temporary Assistance for Iron Mountain Project	November - Ms. Fiorante	\$ 2,394
		<b>Staff Payroll Fund Total</b>	\$ 9,769
		<b>Grand Total</b>	<b><u>\$ 2,425,567</u></b>

Upon a motion from Mr. Mynarski seconded by Mr. Coyner, the Board voted 4-0-0 to approve the above payments for \$2,425,567.

<b>Town of Greenwich, Connecticut</b>			
<b>Retirement DECEMBER 31, 2016</b>			
<b>Payments to be Approved</b>			
<b>Reserve Fund</b>			
V	Pensioners	DECEMBER Payroll	\$ 2,355,482
		<b>Pension Payroll Fund Total</b>	\$ 2,355,482
<b>Expense Fund</b>			
SV	Iron Mountain	November, 2016	\$ 160
	Pension & Investments	Classified Advertising	\$ 1,910
	Transamerica	January, 2017 - March, 2017	\$ 32,750
	NEPC	January, 2017 - March, 2017	\$ 37,500
	Patterson Belknap Webb & Tyler	Legal Services November 2016	\$ 1,140

		<b>Expense Fund Total</b>	\$ 73,460
<b>Payroll</b>			
PV	Retirement Administrator	December - Ms. Jones	\$ 7,375
	Temporary Assistance for Iron Mountain Project	December - Ms. Fiorante	\$ 2,394
		<b>Staff Payroll Fund Total</b>	\$ 9,769
		<b>Grand Total</b>	<b>\$ 2,438,711</b>

Upon a motion from Mr. Mynarski seconded by Mr. Coyner, the Board voted 4-0-0 to approve the above payments for \$2,438,711.

### **RETIREES**

The Board reviewed the retirement profiles for the five individuals listed below:

December 1, 2016

1. Patricia Anderson
2. Ronald Carosella
3. Stephen Hickey
4. John Frangione
5. Arthur Morris

Upon a motion from Mr. Mynarski, seconded by Mr. Kordick, the Board voted 4-0-0 to approve the retirement for the five individuals listed above for Retirement on December 1, 2016.

The Board reviewed the retirement profiles for the two individuals listed below:

January 1, 2017

1. Daniel Campanelli
2. Robert Shipman

Upon a motion from Mr. Mynarski, seconded by Mr. Coyner, the Board voted 4-0-0 to approve the retirement for the two individuals listed above for Retirement on January 1, 2017.

### **MILITARY BUYBACK**

Upon a motion from Mr. Coyner, seconded by Mr. Mynarski, the Board voted 4-0-0 to approve a military buyback for Max Rinaldi for 4 years of service in the amount of \$13,505.29.

## INVESTMENTS AND PERFORMANCE

Presentation by NEPC (8:30 am)  
Kevin Leonard, Partner  
Andrew Brett, Director of Real Assets Research

Mr. Leonard presented the Flash Report for the Period Ending October 31, 2016. Fund Balance was \$407,008,970. Rate of return for October 2016 was -1.0% and for the Fiscal Year to Date is 2.3%. Rate of return for the Year to Date is 5.8%. Also, Mr. Leonard presented the Flash Report for the Period Ending November 30, 2016. Fund Balance was \$412,644,376. Rate of return for November 2016 was 1.5% and for the Fiscal Year to Date is 4.4%. Rate of return for the Year to Date is 7.7%. Overall, the portfolio has a 37<sup>th</sup> percentile ranking and is performing well amongst peers.

Mr. Leonard discussed the Private Equity and Private Debt 2017 Strategic Investment Plans. Private equity exposure is at 21.1% of total plan assets. The fund has sufficient coverage in the US Mid and Small markets. There isn't a consensus direction for the Emerging Markets. The Retirement Board would like to review Europe versus Asia direct lending in more detail next month. Also, Mr. Leonard provided the provided the Q3 Investment Summary and will provide a draft of the 2017 Future Projections report this week.

### Commodities

Mr. Brett presented the S&P GSCI Strategy, Bloomberg Commodity Total Return Index Strategy and 2017 Assumption Development. Mr. Brett noted the importance of realizing monetary value of investing with commodities and the role these investments play as part of the overall investment plan. Diversification exposure to the sub-sectors is the most efficient way to build protection against a range of inflationary outcomes. Bloomberg is more diverse than Goldman Sachs with 35% versus 70% of energy exposure, respectively. However, the roll yield makes it tough to capture the benefit of commodity returns. Mr. Chadwick opined that we do have energy exposure with EIG. Due to the low levels of inflation, he is still not a fan of commodities.

Mr. Leonard suggested we revisit the target allocation policy. We will have the NEPC 2017 investment outlook and recommended modifications at the January Board meeting. We will hold on executing the State Street SSgA US TIPS Index Fund and State Street Emerging Markets Equity Fund. Also, we will place the additional \$9 million allocated for the ETF on hold.

Ms. Jones reminded the Board that last year the Board voted to approve the Russell 3000 as a source of Retirement funds if there is an immediate need for cash.

### State Street Custody Account

The Retirement System has retained authority to designate the cash sweep vehicle for all excess cash within the Custody account, including excess cash in investment funds managed by Investment Managers. Due to new rules and regulations, money market funds which invest in government and

agencies can continue to use a constant net asset value (NAV) of \$1.00, other money market funds that invest more broadly in corporate securities, bankers' acceptances, etc. will have a floating net asset value (FNAV). State Street provided the Town's Treasurer, Kathleen Murphy, with updated funds available to the Retirement System. The Board reviewed and discussed the available funds.

Upon Motion from Mr. Coyner, seconded by Mr. Mynarski, the Board voted 4-0-0 to approve the designation of the cash sweep vehicle for all excess cash within the Custody account from State Street Short Term Investment Fund to the Institutional US Government Money Market Fund (GVMXX).

### **NEW BUSINESS**

Upon a motion from Mr. Mynarski, seconded by Mr. Kordick, the Board voted 4-0-0 to approve the Retirement Board Annual Report for CAFR (as amended with the removal of the following language "Rendering advisory assistance for labor contract negotiations").

### **OLD BUSINESS**

None.

### **Executive Session**

The Board voted unanimously to go into Executive Session at 10:46 a.m. to review disability retirements.

The Board voted unanimously to come out of Executive Session at 11:44 a.m.

Upon a motion from Mr. Mynarski, seconded by Mr. Kordick, the Board voted 4-0-0 to approve the accidental disability retirement for Lawrence Imbrogno and ordinary disability retirement for David Osler effective December 1, 2016.

Upon a motion from Mr. Mynarski, seconded by Mr. Coyner, the Board voted 4-0-0 to not approve the accidental disability retirement for Donnell Fludd effective January 1, 2017.

**ADJOURNMENT**

A motion to adjourn was made by Mr. Mynarski, seconded by Mr. Kordick, and carried unanimously at 11:55 a.m.

Respectfully Submitted,

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Atiya Jones, Secretary to the Board

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John D. Chadwick, Chairman